

Fixed Assets Management and Financial Performance: An Empirical Study of Kesoram Cement Limited, Basanth Nagar (2019–2024)

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ABSTRACT

Fixed assets form the productive backbone of any capital-intensive manufacturing enterprise, and their efficient management is central to long-term financial health. This paper examines the fixed assets management practices of Kesoram Cement Limited, Basanth Nagar, Telangana, over a five-year period from 2019–20 to 2023–24. Using secondary data drawn from the company's published annual reports, the study employs trend analysis and ratio analysis — covering growth rate in investment, fixed assets to net worth, fixed assets ratio, fixed assets as a percentage to current liabilities, total investment turnover ratio, fixed assets turnover ratio, gross capital employed, and return on fixed assets — to evaluate how efficiently the company acquires, deploys, and derives returns from its fixed assets. The findings reveal a consistent upward trend in the gross block of fixed assets from ₹748.87 crore to ₹1,013.82 crore, reflecting sustained capital investment. However, the return on fixed assets exhibited significant fluctuation, peaking at 17.49% in 2021–22 before declining sharply to 4.54% in 2023–24, signalling an urgent need to improve asset utilisation and profitability. The study offers actionable recommendations for strengthening fixed asset management, aligned with Ind AS-16, AS-10, and the Companies Act 2013, and draws implications for cement sector firms undertaking large-scale capacity restructuring.

Keywords: *Fixed Assets Management, Ratio Analysis, Trend Analysis, Kesoram Cement, Capital Employed, Return on Fixed Assets, Cement Industry, India*

1. INTRODUCTION

In any capital-intensive industry, fixed assets represent the most significant component of long-term investment. For manufacturing firms, particularly in the cement sector, plant and machinery, land and buildings, and other infrastructure collectively form the foundation upon which production capacity, operational efficiency, and competitive strength are built. According to Accounting Standard (AS-10) and Indian Accounting Standard (Ind AS-16), fixed assets are tangible items that are held for use in the production or supply of goods or services, expected to be used during more than one period, and not intended for sale in the ordinary course of business (Institute of Chartered Accountants of India, 2016).

India's cement industry is one of the largest in the world, second only to China, with an installed capacity exceeding 600 million tonnes per annum as of 2023 (Cement Manufacturers' Association, 2023). The sector is characterised by high capital expenditure, significant investment in fixed assets such as kilns, grinding mills, captive power plants, and raw material handling systems, making fixed assets management a subject of critical financial importance. Inefficient

management of these assets leads to sub-optimal returns, inflated depreciation charges, and deteriorating financial ratios that adversely affect investor confidence.

Kesoram Industries Limited, founded in 1919 as Kesoram Cotton Mills under the Birla Group, evolved into a diversified industrial conglomerate with significant presence in cement manufacturing under the brand Birla Shakti Cement. The Kesoram Cement Plant, located at Basanth Nagar near Ramagundam in Telangana, has been a significant producer in the southern Indian market with a plant capacity of 8.26 lakh tonnes per annum. In 2023, Kesoram Industries announced the demerger of its cement business to UltraTech Cement for ₹5,379 crore, signalling a major strategic restructuring (Business Standard, 2023). This transition makes a rigorous study of the company's fixed assets management practices during 2019–24 both timely and academically valuable.

The present study is motivated by the need to understand how Kesoram Cement Limited managed its substantial fixed asset base during a period of structural transition in the Indian cement industry — a period that included the COVID-19 pandemic disruption of 2020–21, a sharp recovery in 2021–22, and the announcement of divestiture by 2023–24. By applying financial ratio analysis and trend analysis to five years of annual report data, this paper seeks to assess the quality and efficiency of fixed asset utilisation and contribute to the growing body of empirical research on asset management in India's manufacturing sector.

1.1 Research Objectives

The study pursues the following specific objectives:

1. To examine the growth trend in total investment and fixed assets of Kesoram Cement Limited during 2019–20 to 2023–24.
2. To evaluate the fixed assets turnover and its relationship with net sales over the study period.
3. To assess the extent to which long-term funds and owner's equity finance the fixed asset base.
4. To measure the return generated on fixed assets and identify factors contributing to its fluctuation.
5. To analyse the relationship between fixed assets and current liabilities as an indicator of financial structure.

1.2 Significance of the Study

Fixed assets management directly influences depreciation policy, profitability, capital structure, and compliance with regulatory reporting requirements under the Companies Act 2013 and applicable Indian Accounting Standards. For a firm like Kesoram Cement undergoing major ownership transition, an accurate understanding of its asset utilisation efficiency is essential for both internal decision-makers and external stakeholders including investors, creditors, and regulatory bodies. This study contributes empirical evidence from a single-firm longitudinal analysis, a methodology advocated by researchers like Githanjali (2023) and Salma Ranu (2022) for building sectoral understanding in the Indian context.

2. REVIEW OF LITERATURE

2.1 Conceptual Foundations of Fixed Assets Management

Fixed assets management encompasses the entire lifecycle of long-term tangible assets — from acquisition planning and procurement to tracking, maintenance, depreciation, revaluation, and final disposal. Anthony and Govindarajan (2007) established that effective fixed assets management is inseparable from a firm's broader management control system; poor asset decisions cascade into operational inefficiency and distorted financial reporting. Pandey (2010) argues that capital investment decisions, which determine the scale and composition of fixed assets, are among the most consequential decisions a firm's management makes, given their long-term, largely irreversible nature.

2.2 Fixed Assets Management in Indian Manufacturing

Rao (2013) investigated fixed assets management practices in Indian manufacturing industries and found that a majority of firms lacked systematic asset tracking systems and relied on periodic physical verification rather than continuous monitoring. His study recommended the adoption of Enterprise Resource Planning (ERP) systems for real-time asset management. Sharma (2014) extended this inquiry to Small and Medium Enterprises (SMEs) and

documented that inadequate depreciation policies and delayed maintenance schedules resulted in premature asset degradation, reducing the productive life of assets and inflating replacement costs.

Muthusamy (2017) examined the strategic dimensions of fixed assets management, arguing that asset portfolio decisions should be aligned with long-term competitive strategy and not treated merely as accounting exercises. His work is particularly relevant to large firms like Kesoram Cement, where fixed assets are strategically critical to production continuity. Singh (2019) added an institutional dimension by studying public sector organisations and finding that bureaucratic procurement processes and lack of accountability mechanisms led to persistent underutilisation of fixed assets.

2.3 Empirical Studies in the Cement and Allied Sectors

Balavan Hula Sriram, Shireesha, and Vara Lakshmi Tharva (2019) conducted a study on fixed assets management at LG Warangal and highlighted the importance of understanding capital expenditure patterns in manufacturing firms. Their work used trend analysis as the primary tool and found wide year-on-year variation in capital spending that correlated with production disruptions. Kharchenko and Makovsky (2020) contributed international evidence from the agricultural sector in Ukraine, demonstrating that fixed asset intensity ratios are key indicators of a firm's competitiveness.

Kazakova and Ivanova (2021) proposed a strategic asset framework for fund-intensive companies, emphasising the stakeholder approach and the audit of asset effectiveness. Their model, which integrates financial and non-financial asset indicators, is directly applicable to capital-heavy industries like cement manufacturing. Githanjali (2023) analysed fixed assets management in the Indian manufacturing sector and found that asset utilisation ratios, particularly the fixed assets turnover ratio, differed significantly across industries and firm sizes, calling for sector-specific benchmarking. Salma Ranu (2022) studied the sugar industry in Karnataka and documented that capital expenditure intensity and depreciation policies had a direct bearing on profit margins and return on assets.

2.4 Research Gap

While the above studies have examined fixed assets management in manufacturing, agriculture, and public sector contexts, there is a notable gap in firm-level longitudinal studies focused on the Indian cement industry during the post-pandemic period of 2019–2024. Furthermore, none of the cited studies address a cement firm undergoing active ownership restructuring and divestiture. The present study fills this gap by providing a detailed five-year empirical analysis of Kesoram Cement Limited during precisely this period of structural transition.

3. RESEARCH METHODOLOGY

3.1 Research Design

This study adopts a descriptive-analytical research design. It is based entirely on secondary data collected from the annual reports of Kesoram Cement Limited for the financial years 2019–20 to 2023–24. The study covers five financial years and examines multiple financial parameters related to fixed assets management.

3.2 Data Sources

Secondary data was collected from the following sources: published Annual Reports of Kesoram Industries Limited (Cement Division), the Ministry of Corporate Affairs (MCA) portal, the Bombay Stock Exchange (BSE) filings, and financial databases. No primary data collection was undertaken. The financial figures presented in the tables are in Indian Rupees (crores), unless otherwise stated.

3.3 Tools and Techniques of Analysis

The following analytical tools were applied:

Trend Analysis: Index numbers were used to track the direction and magnitude of change over the five-year period, with 2019–20 as the base year (Index = 100). Trend percentages were calculated for both total investment and fixed assets.

Ratio Analysis: The following ratios were computed and analysed: Fixed Assets to Net Worth Ratio, Fixed Assets Ratio, Fixed Assets as a Percentage to Current Liabilities, Total Investment Turnover Ratio, Fixed Assets Turnover Ratio, Gross Capital Employed, and Return on Fixed Assets.

3.4 Scope and Limitations

The study is confined to the financial data of Kesoram Cement Limited for five years (2019–20 to 2023–24). It does not cover other divisions of Kesoram Industries Limited. The study relies exclusively on published secondary data, which is subject to the limitations of financial reporting conventions. The analysis does not include primary research with company personnel. Furthermore, the announcement of the divestiture of the cement division to UltraTech Cement in 2023 may have influenced certain financial decisions during the later years of the study period.

4. COMPANY PROFILE

Kesoram Industries Limited traces its origins to 1919, when it was established as Kesoram Cotton Mills under the B.K. Birla Group. Over the following decades, the company diversified into rayon (1959), tyres (Birla Tyres), and cement (Birla Shakti Cement). The cement division operates two plants: the Vasavadatta Cement Plant at Sedam, Gulbarga district, Karnataka, and the Kesoram Cement Plant at Basanth Nagar, near Ramagundam, Telangana, with a combined installed capacity of 10.75 million tonnes per annum (MTPA). The Basanth Nagar plant, with a capacity of 8.26 lakh tonnes per annum, employs dry process cement technology and uses limestone, bauxite, hematite, and gypsum as primary raw materials. Kesoram Industries is listed on the National Stock Exchange (NSE), Bombay Stock Exchange (BSE), Calcutta Stock Exchange, and the Bourse de Luxembourg. In 2023, the company announced the merger of its cement business with UltraTech Cement for ₹5,379 crore in an all-stock deal, leaving Kesoram Industries with its rayon and transparent paper businesses through its subsidiary Cygnet Industries.

5. DATA ANALYSIS AND INTERPRETATION

5.1 Trend Analysis of Total Investment

Trend analysis of total investment reveals the direction and pace of capital deployment by Kesoram Cement Limited over the five-year study period.

Year	Total Investment (₹ Crore)	Trend Percentage
2019–20	17.67	100.00
2020–21	23.34	132.09
2021–22	77.70	439.52
2022–23	77.21	436.80
2023–24	54.56	308.76

Table 1: Growth Rate in Investment Trend (₹ in Crore) Source: Compiled from Annual Reports of Kesoram Industries Limited (2019–2024)

The total investment increased substantially from ₹17.67 crore in 2019–20 to a peak of ₹77.70 crore in 2021–22, representing an almost fourfold growth over the base year. This surge reflects large-scale capital expenditure undertaken by the company, likely associated with capacity upgradation, machinery replacement, and infrastructure improvements in preparation for the strategic demerger. A marginal decline in 2022–23 (₹77.21 crore) followed, and a more significant correction to ₹54.56 crore (308.76%) occurred in 2023–24, possibly reflecting a deliberate slowdown in fresh investment as the divestiture to UltraTech Cement approached finalisation.

5.2 Trend Analysis of Fixed Assets

Year	Fixed Assets — Net (₹ Crore)	Trend Percentage
2019–20	748.87	100.00
2020–21	785.20	104.85
2021–22	849.98	113.51
2022–23	944.47	126.11
2023–24	1,013.82	135.37

Table 2: Growth Rate in Fixed Assets (₹ in Crore) Source: Compiled from Annual Reports of Kesoram Industries Limited (2019–2024)

Fixed assets showed a steady, uninterrupted upward trend throughout the study period. From a net block of ₹748.87 crore in 2019–20, the value rose consistently to ₹1,013.82 crore by 2023–24, registering a cumulative growth of 35.37% over five years. This pattern reflects a disciplined capital investment strategy, with the company systematically expanding its asset base even through the pandemic-affected year of 2020–21.

5.3 Fixed Assets to Net Worth Ratio

Year	Fixed Assets (₹ Cr)	Net Worth (₹ Cr)	Ratio
2019–20	748.87	499.29	149.99
2020–21	785.20	528.44	148.59
2021–22	849.98	664.70	127.87
2022–23	944.47	740.84	127.49
2023–24	1,013.82	769.86	131.69

Table 3: Fixed Assets to Net Worth Ratio Source: Compiled from Annual Reports of Kesoram Industries Limited (2019–2024)

The fixed assets to net worth ratio measures the proportion of shareholders' funds invested in fixed assets. A ratio above 100% indicates that fixed assets exceed owner's equity, requiring the company to rely partly on long-term borrowings to finance its asset base. In 2019–20, the ratio stood at 149.99, signalling heavy reliance on external funds for asset financing. The ratio declined progressively to 127.49 in 2022–23, reflecting strengthening net worth through retained profits and equity, particularly the strong profitability year of 2021–22. A slight uptick to 131.69 in 2023–24 is attributable to the continued growth in fixed assets outpacing the incremental addition to net worth. Overall, the declining trend in this ratio is a positive indicator of improving financial independence.

5.4 Fixed Assets Ratio

Year	Fixed Assets (₹ Cr)	Capital Employed (₹ Cr)	Fixed Assets Ratio
2019–20	748.87	278.15	2.69
2020–21	785.20	258.77	3.03
2021–22	849.98	327.44	2.60
2022–23	944.47	382.39	2.47

Year	Fixed Assets (₹ Cr)	Capital Employed (₹ Cr)	Fixed Assets Ratio
2023–24	1,013.82	418.59	2.42

Table 4: Fixed Assets Ratio (Fixed Assets / Capital Employed) Source: Compiled from Annual Reports of Kesoram Industries Limited (2019–2024)

The fixed assets ratio indicates the proportion of capital employed that is locked in fixed assets. A ratio above 1.0 is considered high and may indicate an asset-heavy capital structure. In Kesoram Cement's case, the ratio ranged from 2.42 to 3.03, consistent with the capital-intensive nature of cement manufacturing. The declining trend from 3.03 in 2020–21 to 2.42 in 2023–24 indicates that capital employed grew at a faster rate than fixed assets in the latter years, partly due to improved working capital management and profit retention.

5.5 Fixed Assets as a Percentage to Current Liabilities

Year	Fixed Assets (₹ Cr)	Current Liabilities (₹ Cr)	Ratio
2019–20	748.87	317.45	2.36
2020–21	785.20	365.96	2.15
2021–22	849.98	306.83	2.77
2022–23	944.47	345.31	2.74
2023–24	1,013.82	331.63	3.06

Table 5: Fixed Assets as a Percentage to Current Liabilities Source: Compiled from Annual Reports of Kesoram Industries Limited (2019–2024)

This ratio measures the extent to which fixed assets cover current liabilities, serving as an indicator of the company's ability to absorb short-term obligations through long-term asset backing. The ratio dipped to 2.15 in 2020–21, likely reflecting an increase in current liabilities amid COVID-19-related operational disruptions. From 2021–22 onwards, the ratio recovered and improved to 3.06 by 2023–24, indicating that fixed assets grew considerably faster than current liabilities — a positive sign of improving financial security.

5.6 Total Investment Turnover Ratio

Year	Net Sales (₹ Cr)	Total Investment (₹ Cr)	Ratio
2019–20	979.88	17.67	55.45
2020–21	937.87	23.34	40.18
2021–22	1,383.68	77.70	17.81
2022–23	1,633.41	77.21	21.16
2023–24	1,609.66	54.56	29.50

Table 6: Total Investment Turnover Ratio Source: Compiled from Annual Reports of Kesoram Industries Limited (2019–2024)

The total investment turnover ratio declined sharply from 55.45 in 2019–20 to 17.81 in 2021–22, driven primarily by the surge in capital investment (total investment growing nearly fourfold) rather than a decline in sales. Net sales, in fact, grew strongly from ₹979.88 crore to ₹1,383.68 crore over the same period. The ratio improved modestly in 2022–23 and 2023–24 as total investment moderated while sales remained robust. The pattern confirms that the company undertook a front-loaded investment programme during 2021–22 which temporarily depressed investment efficiency ratios, a transient but strategically justifiable feature of capital expansion cycles.

5.7 Fixed Assets Turnover Ratio

Year	Net Sales (₹ Cr)	Net Fixed Assets (₹ Cr)	Fixed Assets Turnover Ratio
2019–20	979.88	748.87	1.31
2020–21	937.87	785.20	1.19
2021–22	1,383.68	849.98	1.63
2022–23	1,633.41	944.47	1.73
2023–24	1,609.66	1,013.82	1.59

Table 7: Fixed Assets Turnover Ratio Source: Compiled from Annual Reports of Kesoram Industries Limited (2019–2024)

The fixed assets turnover ratio is the most direct measure of operational efficiency in asset utilisation — it shows how many rupees of revenue are generated per rupee of fixed assets deployed. The ratio was lowest in 2020–21 at 1.19, reflecting both a dip in net sales (COVID-19 impact) and a moderate increase in fixed assets. The recovery was strong in 2021–22 (1.63) and 2022–23 (1.73) as sales volumes grew sharply on the back of India's post-pandemic construction boom and the government's infrastructure push. A slight correction to 1.59 in 2023–24 likely reflects pre-divestiture operational adjustments. The overall trend from 1.31 to 1.59 suggests improved asset productivity over the five-year period.

5.8 Gross Capital Employed

Year	Fixed Assets (₹ Cr)	Current Assets (₹ Cr)	Gross Capital Employed (₹ Cr)
2019–20	748.87	328.35	1,077.22
2020–21	785.20	344.57	1,129.77
2021–22	849.98	340.99	1,190.97
2022–23	944.47	419.09	1,363.56
2023–24	1,013.82	425.80	1,439.62

Table 8: Gross Capital Employed (₹ in Crore) Source: Compiled from Annual Reports of Kesoram Industries Limited (2019–2024)

Gross capital employed grew steadily from ₹1,077.22 crore in 2019–20 to ₹1,439.62 crore in 2023–24, a cumulative increase of approximately 33.6%. Both fixed assets and current assets contributed to this growth, with fixed assets constituting approximately 70% of gross capital employed throughout the period. The consistent expansion of the capital base, even through the pandemic year, underscores the company's commitment to capacity maintenance and gradual upgradation.

5.9 Return on Fixed Assets

Year	Profit After Tax (₹ Cr)	Net Fixed Assets (₹ Cr)	Return on Fixed Assets (%)
2019–20	46.78	748.87	6.25
2020–21	50.85	785.20	6.48
2021–22	148.69	849.98	17.49
2022–23	98.14	944.47	10.39
2023–24	46.00	1,013.82	4.54

Table 9: Return on Fixed Assets (%) Source: Compiled from Annual Reports of Kesoram Industries Limited (2019–2024)

Return on fixed assets (ROFA) is the most comprehensive indicator of the financial productivity of a firm's long-term asset base. The findings reveal a deeply volatile pattern. ROFA was moderate at 6.25% and 6.48% in the first two years, surged dramatically to 17.49% in 2021–22 — the year when profit after tax tripled to ₹148.69 crore, driven by buoyant demand, improved realisations, and operational leverage — and then declined steadily to 10.39% in 2022–23 and 4.54% in 2023–24. The decline in the final two years reflects a combination of rising fixed asset values (denominator effect), higher input costs, and the operational uncertainty associated with the announced divestiture to UltraTech Cement. A ROFA of 4.54% in 2023–24 is low by industry standards and warrants urgent management attention.

6. DISCUSSION

6.1 Asset Growth Without Proportionate Returns

The most significant finding of this study is the structural disconnect between asset growth and return generation in the latter part of the study period. While the fixed asset base grew at a compound rate of approximately 7.9% per year, from ₹748.87 crore to ₹1,013.82 crore, the return on those assets declined from a peak of 17.49% to just 4.54%. This divergence points to the classic challenge of asset intensity in capital-heavy industries — incremental additions to the fixed asset base do not automatically translate into proportionate profitability, especially when input cost pressures are elevated and market realisations are under pressure.

This finding is consistent with Kazakova and Ivanova (2021), who warned that fund-intensive companies risk accumulating strategic assets that underperform unless accompanied by rigorous utilisation audits and stakeholder accountability mechanisms. In Kesoram Cement's case, the surge in 2021–22 profitability appears to have been driven by favourable market conditions — India's infrastructure boom and post-pandemic cement demand surge — rather than structural improvements in asset efficiency. When those tailwinds faded in 2022–23 and 2023–24, profitability deteriorated.

6.2 Improving Financial Structure

Despite the profitability concern, the fixed assets to net worth ratio declined from 149.99 in 2019–20 to 127.49 in 2022–23, indicating progressive strengthening of the equity base relative to fixed assets. This improvement suggests that profits generated during 2021–22 were retained effectively, building the company's net worth. The fixed assets as a percentage to current liabilities ratio also improved to 3.06 in 2023–24, indicating that the company's long-term asset base is significantly larger than its short-term obligations — a positive structural feature that reduces financial vulnerability.

6.3 Turnover Efficiency in Context

The fixed assets turnover ratio improvement from 1.19 in 2020–21 to 1.73 in 2022–23 demonstrates that the company used its assets more productively as demand conditions improved. However, the ratio in India's leading cement

companies such as UltraTech Cement and Shree Cement typically ranges between 1.8 and 2.5, suggesting that Kesoram Cement, even in its best year, operated below the industry frontier. This underscores the need for asset rationalisation, adoption of digital monitoring systems, and investment in energy-efficient technologies that can reduce cost per unit while improving throughput.

6.4 Impact of Macroeconomic and Firm-Level Factors

The study period encompassed several significant macroeconomic events. The COVID-19 pandemic of 2020–21 disrupted supply chains and reduced construction activity, contributing to the dip in fixed assets turnover. The subsequent V-shaped demand recovery, supported by the Government of India's capital expenditure push under the Union Budget 2021–22 and 2022–23 — with capital spending rising to ₹7.5 lakh crore — was the primary driver of the 2021–22 profitability peak. The announcement of the UltraTech merger in 2023 likely influenced management's investment and operational decisions in 2023–24, potentially contributing to the observed decline in profitability.

7. FINDINGS

Based on the trend analysis and ratio analysis conducted over five financial years from 2019–20 to 2023–24, the following key findings are drawn:

6. Total investment in Kesoram Cement Limited surged from ₹17.67 crore in 2019–20 to a peak of ₹77.70 crore in 2021–22 (trend index: 439.52%), followed by a moderation to ₹54.56 crore in 2023–24, reflecting a concentrated capital expenditure programme in 2021–22.
7. The net fixed assets base grew consistently from ₹748.87 crore to ₹1,013.82 crore, a growth of 35.37% over the base year, confirming sustained long-term investment.
8. The fixed assets to net worth ratio declined from 149.99 in 2019–20 to 127.49 in 2022–23, indicating progressive strengthening of shareholders' equity relative to the fixed asset base.
9. The fixed assets ratio (fixed assets to capital employed) declined from 3.03 in 2020–21 to 2.42 in 2023–24, suggesting that capital employed grew faster than fixed assets in recent years.
10. Fixed assets as a percentage to current liabilities improved from 2.36 to 3.06 over the study period, indicating strengthening of the long-term asset base relative to short-term obligations.
11. The total investment turnover ratio declined from 55.45 to 17.81 between 2019–20 and 2021–22 due to the large capital expenditure surge, and partially recovered to 29.50 in 2023–24.
12. The fixed assets turnover ratio improved from 1.19 in 2020–21 to 1.73 in 2022–23, reflecting improved asset productivity, before moderating to 1.59 in 2023–24.
13. Gross capital employed grew steadily from ₹1,077.22 crore to ₹1,439.62 crore, an increase of ₹362.40 crore (33.6%) over five years, demonstrating consistent organisational expansion.
14. Return on fixed assets exhibited high volatility, peaking at 17.49% in 2021–22 and falling to a five-year low of 4.54% in 2023–24, indicating that profitability gains were cyclical and not structurally embedded in improved asset management.
15. Despite the return volatility, the financial structure ratios improved over the period, with declining fixed assets to net worth ratio and rising fixed assets coverage of current liabilities, indicating improved balance sheet stability.

8. SUGGESTIONS AND RECOMMENDATIONS

Based on the findings of this study, the following recommendations are offered for improving fixed assets management at Kesoram Cement Limited and, by extension, for cement sector firms facing similar challenges:

- **Asset Utilisation Review:** The company should conduct a thorough review of each asset category's contribution to production and revenue. Underperforming or idle assets should be identified, and decisions on redeployment, refurbishment, or disposal should be taken proactively.
- **Digital Asset Management Systems:** Investment in Enterprise Resource Planning (ERP) platforms, real-time asset tracking using RFID and IoT sensors, and predictive maintenance software can reduce downtime, extend asset

life, and improve return on fixed assets. Kharchenko and Makovsky (2020) documented measurable productivity gains from technology-enabled asset monitoring.

- **Depreciation Policy Review:** The company should periodically review whether the depreciation rates applied under Schedule II of the Companies Act 2013 accurately reflect the useful lives of its kiln, grinding, and captive power plant assets.
- **Preventive and Predictive Maintenance:** A structured preventive maintenance schedule for critical assets — particularly kilns, raw material handling systems, and captive power plants — should be institutionalised to reduce unexpected breakdowns and emergency repair costs.
- **Competitive Benchmarking:** Kesoram Cement should benchmark its fixed assets turnover ratio, return on assets, and depreciation metrics against leading Indian cement producers such as UltraTech Cement, ACC Limited, Ambuja Cements, and Shree Cement.
- **Compliance Strengthening:** The company should ensure complete compliance with Ind AS-16, Ind AS-36 (Impairment of Assets), and the physical verification requirements under the Companies Act 2013. As part of the divestiture process, an independent fixed assets valuation by a registered valuer should be conducted.
- **Energy Efficiency Investments:** Investments in energy-efficient technologies — such as waste heat recovery systems, vertical roller mills, and alternative fuel usage — can reduce operating costs and improve EBITDA margins, thereby improving return on fixed assets without necessarily adding to the asset base.

9. CONCLUSION

This study provides a systematic five-year analysis of fixed assets management at Kesoram Cement Limited, Basanth Nagar, Telangana, using trend analysis and ratio analysis on published annual report data from 2019–20 to 2023–24. The principal conclusion is that the company demonstrated consistent commitment to capital investment — growing its net fixed asset base from ₹748.87 crore to ₹1,013.82 crore — but failed to translate this asset growth into sustained profitability. The return on fixed assets, which represents the ultimate measure of asset management effectiveness, was highly volatile, peaking at 17.49% in 2021–22 and declining to 4.54% in 2023–24, which is below satisfactory benchmarks for the cement sector.

The study finds that improvements in financial structure (declining fixed assets to net worth ratio), coverage ratios (rising fixed assets as a percentage to current liabilities), and operational efficiency (improved fixed assets turnover ratio from 2020–21 to 2022–23) represent genuine positives. However, these improvements have been insufficient to establish a stable and growing return trajectory on the company's substantial fixed asset investments.

For Kesoram Cement, transitioning to UltraTech Cement's ownership presents an opportunity to benefit from stronger management systems, better technology, and economies of scale that may address the asset efficiency gaps identified in this study. For the broader cement sector and for scholars of corporate finance in India, this study contributes to the understanding that capital investment decisions must be accompanied by rigorous utilisation planning, proactive maintenance regimes, technology-enabled monitoring, and continuous performance benchmarking to ensure that fixed assets management genuinely creates shareholder value over the long term.

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